

Date Mailed November 6, 1998

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of the City of Lancaster,
Grant County, as a Water Public Utility,
for Authority to Increase Water Rates

3030-WR-101

**NOTICE OF PROCEEDING, INVESTIGATION, TELEPHONIC HEARING,
AND ASSESSMENT OF COSTS**

This is a proceeding to consider the application dated August 14, 1998, of the City of Lancaster, Grant County, (applicant), as a water public utility, under Wis. Stats. §§ 196.03, 196.20, and 196.37, for authority to increase water rates.

Applicant requests a rate increase which will produce an 8.00 percent rate of return on net investment rate base. Applicant cites increases in operating expenses and the value of its utility plant, since its last rate case in 1991, as the primary reasons for needing this increase.

The Commission staff has proposed an overall increase in rates of 18 percent. If staff's proposal is approved, an average residential customer's bill would increase 19 percent, from \$36.83 to \$43.80, quarterly. (An average residential customer is one using 13,000 gallons of water quarterly.)

The utility is responsible for notice to its customers of the filing of the above application with the Commission, and, pursuant to Wis. Admin. Code s. PSC 2.73, for producing proof of such notice at the hearing.

NOTICE IS HEREBY GIVEN that the Commission will hold a public hearing on December 3, 1998, at 10:00 a.m. This will be a telephonic hearing involving two sites. The applicant will provide a room for customer participation in the UW Extension-Youth and Agricultural Center (South Room) located at 916 Elm Street, Lancaster, Wisconsin. Customers may call the utility at (608) 723-4246 for further details on the location of the hearing room. This building is accessible to people in wheelchairs. Commission staff will participate from the Lake Superior Room in the Public Service Commission Office Building, 610 North Whitney Way, Madison, Wisconsin. This building is accessible to people in wheelchairs through the Whitney Way first floor entrance (lobby). Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations should contact the staff person listed below.

NOTICE IS FURTHER GIVEN that this matter is a Class 1 proceeding as defined in Wis. Stat. § 227.01(3)(a).

This is a Type III action under Wis. Admin. Code s. PSC 4.10(3). No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission's attention. Neither an environmental impact statement under Wis. Stat. § 1.11, nor an environmental assessment is required.

Staff shall file a synopsis or summary of the testimony or other evidence presented at the hearing in this case. The parties, pursuant to Wis. Stat. § 196.24(3), as amended by 1997 Wisconsin Act 204, sec. 24, may demonstrate that a synopsis or summary is not sufficiently complete or accurate to fairly reflect the relevant and material testimony or other evidence presented at the hearing.

NOTICE IS FURTHER GIVEN that the Commission deems it necessary in order to carry out its duties herein to investigate all books, accounts, practices, and activities of the applicant. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such investigation will be assessed against and collected from the applicant, in accordance with the provisions of Wis. Stat. § 196.85, and Wis. Admin. Code ch. PSC 5.

If there are any questions regarding this matter, please call the case coordinator, Vishwa Kashyap at (608) 266-2029.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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